

# PERAC AUDIT REPORT



West Springfield  
Contributory Retirement System



JAN. 1, 2011 - DEC. 31, 2013





## TABLE OF CONTENTS

Letter from the Executive Director .....	I
Explanation of Findings and Recommendations.....	2
Statement of Ledger Assets and Liabilities.....	5
Statement of Changes in Fund Balances .....	6
Statement of Receipts.....	7
Statement of Disbursements.....	8
Investment Income .....	9
Schedule of Allocation of Investments Owned.....	10
Supplementary Investment Regulations .....	11
Notes to Financial Statements:	
Note 1 - Summary of Plan Provisions .....	12
Note 2 - Significant Accounting Policies .....	19
Note 3 - Supplementary Membership Regulations.....	21
Note 4 - Administration of the System .....	26
Note 5 - Actuarial Valuation and Assumptions.....	27
Note 6 - Membership Exhibit.....	28

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

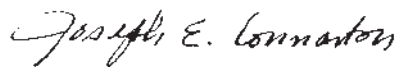
June 29, 2015

The Public Employee Retirement Administration Commission has completed an examination of the West Springfield Retirement System pursuant to G.L. c. 32, § 21. The examination covered the period from January 1, 2011 to December 31, 2013. This audit was conducted in accordance with the accounting and management standards established by the Public Employee Retirement Administration Commission, in regulation 840 CMR 25.00. Additionally, all supplementary regulations approved by PERAC and on file at PERAC are listed in this report.

In our opinion, the financial records are being maintained and the management functions are being performed in conformity with the standards established by the Public Employee Retirement Administration Commission with the exception of those noted in the findings presented in this report.

In closing, I acknowledge the work of examiner Scott Henderson who conducted this examination, and express appreciation to the Board of Retirement and staff for their courtesy and cooperation.

Sincerely,



Joseph E. Connarton  
Executive Director





# EXPLANATION OF FINDINGS AND RECOMMENDATIONS

## **I. Regular Compensation:**

A review of the pay codes used by the city and school revealed instances of payments that qualify as regular compensation that are not having retirement contributions withheld and payments that do not qualify as regular compensation that are having retirement contributions withheld.

Payment of \$15 for every ambulance ride for an EMT does not qualify as regular compensation because the number of ambulance rides is not pre-determined.

The attendance incentive paid to custodians who do not use sick time does not qualify as regular compensation because it is a bonus.

The payment for being on standby in the sewer department does not qualify as regular compensation because the employee has the option of declining this assignment.

Paraprofessionals who resign from that position are on occasion used as substitute teachers and have deductions withheld. Substitute pay is not regular compensation because it is done on an as-needed basis and is not predictable.

The stipend paid to paraprofessionals who have been assigned to work with autistic students qualifies as regular compensation, as does the stipend paid to paraprofessionals whose functions include attending to the personal hygiene of students. These are both services to the employer and meet all the requirements of 840 CMR 15.03 (3)(b).

There is an “adjustment” code used when someone was paid incorrectly on a prior payroll. Deductions are taken even if the code being adjusted is not regular compensation. The payroll reviewed by the auditor had this happen with a police officer’s detail pay.

**Recommendation:** The payroll department must be instructed of the necessary changes. In the case of the adjustments, a separate code should be set up for adjustments that involve non-regular compensation.

The Retirement System should be notified of and review all new pay codes to determine if they qualify as regular compensation. In addition, the Retirement System should regularly request and monitor payroll register detail reports.

## **Board Response:**

The West Springfield Retirement Board has instructed its staff to implement the following procedures. All audit findings regarding regular compensation will be addressed with appropriate city and school payroll departments. In addition the retirement board staff will conduct quarterly audits of city payroll registers to ensure pay codes and pay types qualify as regular compensation. Any new pay code created to address contractual obligations of the city will be reviewed by the retirement board staff prior to the implementation of such pay code to determine whether it is regular or non-regular compensation. Furthermore, the board staff will instruct the payroll department to change and add detail to adjustment pay codes that will differentiate between regular and non-regular compensation. Departments that utilize these adjustment codes will be instructed which code to use in each particular circumstance.

## EXPLANATION OF FINDINGS AND RECOMMENDATIONS (Continued)

### **2. Billable Hours:**

The city's attorney retired during the audit period. According to his contract, he was paid both a retainer and additional billable hours. Retirement deductions were withheld from each, and they were included in the three-year average salary of his retirement calculation.

The billable hours do not meet the definition of regular compensation. They are not, as required by 840 CMR 15.03 (3)(b), "pre-determined" and therefore cannot be counted in the three-year average.

**Recommendation:** The Board must recalculate this allowance without the billable hours. The contributions withheld over the member's career may be used to offset the overpayment owed.

### **Board Response:**

At its meeting on May 13, 2015 the Board reviewed the proposed audit finding relating to the inclusion of billable hours in the calculation of the former Town Counsel's retirement allowance. When the Town Counsel executed his employment contract with the Town of West Springfield, the contract was forwarded to PERAC for its review. On March 8, 2001, PERAC issued a letter to the Board in which it was stated that PERAC reviewed the contract – which included a portion of his compensation to be based on billable hours – and PERAC opined that "payments made under this contract would appear to meet the definition of 'regular compensation' in G.L. c. 32, § 1 and 840 CMR 15.03." The Board and Town Counsel relied in good faith on PERAC's opinion, and the Board concurred with that opinion, and as such the Board believes that the billable hours for which he was compensated from January 1, 2001 to June 30, 2009 should be considered regular compensation.

The Board is aware that Section 1's definition of regular compensation was amended effective July 1, 2009 to be "wages," with wages to be defined, in pertinent part, as the "base salary or other base compensation of an employee paid to that employee for employment by an employer; ..." Subsequent to the amendment, the Board recognizes that PERAC amended 840 CMR 15.03, but we would note that Section 15.03(a) states that "compensation to an employee must be compensation received exclusively as wages by an employee for services performed in the course of employment for his employer; ..." The Town Counsel's billable hours were exclusively paid in the form of wages via W-2 for services he performed pursuant to his contract with the Town of West Springfield until his services terminated. His compensation was pre-determined in the sense that he would perform the professional services required of the position at a pre-determined rate of compensation, and as such it appears that the July 1, 2009 amendment would not necessarily alter PERAC's pre-July 1, 2009 determination that his billable hours should be considered regular compensation. Notwithstanding the foregoing, with respect to Town Counsel's post July 1, 2009 earnings, the Board simply requests that PERAC reconsider its position, however the Board will defer to PERAC's final determination.

### **PERAC Response:**

PERAC has issued its final determination on this matter and considers the matter resolved.

## EXPLANATION OF FINDINGS AND RECOMMENDATIONS (Continued)

### **FINAL DETERMINATION:**

***PERAC Audit staff will follow up in six (6) months to ensure appropriate actions have been taken regarding all findings.***

# STATEMENT OF LEDGER ASSETS AND LIABILITIES

AS OF DECEMBER 31,			
	2013	2012	2011
<b>Net Assets Available For Benefits:</b>			
Cash	\$2,384,970	\$2,399,513	\$9,912,764
Fixed Income Securities	19,581,179	24,496,430	17,688,903
Equities	65,665,812	48,236,023	38,024,067
Pooled Real Estate Funds	2,723,644	2,856,251	2,986,351
Interest Due and Accrued	148,903	165,200	145,137
Accounts Receivable	1,461,650	1,644,501	2,638,500
Accounts Payable	(28,236)	(1,669,209)	(54,020)
<b>Total</b>	<b><u>\$91,937,921</u></b>	<b><u>\$78,128,709</u></b>	<b><u>\$71,341,701</u></b>
<b>Fund Balances:</b>			
Annuity Savings Fund	\$23,786,982	\$23,284,866	\$22,343,962
Annuity Reserve Fund	7,530,033	7,079,546	6,891,819
Pension Fund	1,298,038	2,422,757	3,454,094
Military Service Fund	3,085	3,082	3,079
Expense Fund	0	0	0
Pension Reserve Fund	<u>59,319,783</u>	<u>45,338,457</u>	<u>38,648,746</u>
<b>Total</b>	<b><u>\$91,937,921</u></b>	<b><u>\$78,128,709</u></b>	<b><u>\$71,341,701</u></b>

## STATEMENT OF CHANGES IN FUND BALANCES

	Annuity Savings Fund	Annuity Reserve Fund	Pension Fund	Military Service Fund	Expense Fund	Pension Reserve Fund	Total All Funds
Beginning Balance (2011)	\$22,037,071	\$5,879,039	\$4,243,035	\$3,073	\$0	\$36,899,321	\$69,061,540
Receipts	2,309,271	194,694	5,674,790	6	443,538	1,756,893	10,379,192
Interfund Transfers	(1,820,961)	1,828,429	0	0	0	(7,468)	0
Disbursements	(181,419)	(1,010,343)	(6,463,731)	0	(443,538)	0	(8,099,031)
Ending Balance (2011)	22,343,962	6,891,819	3,454,094	3,079	0	38,648,746	71,341,701
Receipts	2,268,800	217,350	5,772,341	3	459,753	6,689,097	15,407,344
Interfund Transfers	(1,070,799)	1,070,185	0	0	0	614	(0)
Disbursements	(257,097)	(1,099,808)	(6,803,679)	0	(459,753)	0	(8,620,337)
Ending Balance (2012)	23,284,866	7,079,546	2,422,757	3,082	0	45,338,457	78,128,709
Receipts	2,355,545	218,442	6,100,199	3	501,051	13,963,756	23,138,995
Interfund Transfers	(1,471,210)	1,453,640	0	0	0	17,570	0
Disbursements	(382,218)	(1,221,596)	(7,224,918)	0	(501,051)	0	(9,329,783)
Ending Balance (2013)	\$23,786,982	\$7,530,033	\$1,298,038	\$3,085	\$0	\$59,319,783	\$91,937,921

# STATEMENT OF RECEIPTS

FOR THE PERIOD ENDING DECEMBER 31,			
	2013	2012	2011
<b>Annuity Savings Fund:</b>			
Members Deductions	\$2,186,220	\$2,136,346	\$2,151,969
Transfers from Other Systems	72,818	39,891	88,787
Member Make Up Payments and Re-deposits	64,915	62,794	18,699
Investment Income Credited to Member Accounts	31,591	29,769	49,816
Sub Total	<u>2,355,545</u>	<u>2,268,800</u>	<u>2,309,271</u>
<b>Annuity Reserve Fund:</b>			
Recovery of Annuity from Reinstatement	0	6,880	0
Investment Income Credited to the Annuity Reserve Fund	218,442	210,471	194,694
Sub Total	<u>218,442</u>	<u>217,350</u>	<u>194,694</u>
<b>Pension Fund:</b>			
3 (8) (c) Reimbursements from Other Systems	168,290	100,659	204,928
Received from Commonwealth for COLA and Survivor Benefits	177,934	184,640	191,580
Pension Fund Appropriation	5,735,910	5,461,153	5,278,282
Settlement of Workers' Compensation Claims	7,000	19,000	0
Recovery of Pension from Reinstatement	0	6,889	0
Recovery of 91A Overearnings	11,065	0	0
Sub Total	<u>6,100,199</u>	<u>5,772,341</u>	<u>5,674,790</u>
<b>Military Service Fund:</b>			
Investment Income Credited to the Military Service Fund	3	3	6
<b>Expense Fund:</b>			
Investment Income Credited to the Expense Fund	<u>501,051</u>	<u>459,753</u>	<u>443,538</u>
<b>Pension Reserve Fund:</b>			
Federal Grant Reimbursement	57,897	95,909	68,559
Interest Not Refunded	2,862	1,694	275
Miscellaneous Income	0	401	1,252
Excess Investment Income	13,902,997	6,591,094	1,686,806
Sub Total	<u>13,963,756</u>	<u>6,689,097</u>	<u>1,756,893</u>
<b>Total Receipts, Net</b>	<u>\$23,138,995</u>	<u>\$15,407,344</u>	<u>\$10,379,192</u>

# STATEMENT OF DISBURSEMENTS

FOR THE PERIOD ENDING DECEMBER 31,			
	2013	2012	2011
<b>Annuity Savings Fund:</b>			
Refunds to Members	\$166,149	\$201,161	\$160,302
Transfers to Other Systems	<u>216,070</u>	<u>55,936</u>	<u>21,117</u>
Sub Total	<u>382,218</u>	<u>257,097</u>	<u>181,419</u>
<b>Annuity Reserve Fund:</b>			
Annuities Paid	<u>1,221,596</u>	<u>1,099,808</u>	<u>1,010,343</u>
<b>Pension Fund:</b>			
Pensions Paid:			
Regular Pension Payments	5,082,637	4,780,319	4,547,985
Survivorship Payments	455,220	473,744	403,347
Ordinary Disability Payments	96,574	75,223	73,428
Accidental Disability Payments	1,043,346	984,883	965,381
Accidental Death Payments	321,317	317,169	313,292
Section 101 Benefits	48,123	47,017	46,123
3 (8) (c) Reimbursements to Other Systems	<u>177,702</u>	<u>125,322</u>	<u>114,175</u>
Sub Total	<u>7,224,918</u>	<u>6,803,679</u>	<u>6,463,731</u>
<b>Expense Fund:</b>			
Board Member Stipend	12,000	12,000	12,000
Salaries	117,774	113,313	115,053
Legal Expenses	14,350	4,373	13,538
Medical Expenses	0	101	0
Travel Expenses	941	1,417	1,189
Administrative Expenses	17,366	20,459	22,879
Professional Services	4,000	0	0
Actuarial Services	2,050	8,500	5,800
Education and Training	575	1,080	1,080
Management Fees	251,505	227,719	209,480
Custodial Fees	50,891	42,453	33,955
Rent Expenses	300	300	300
Service Contracts	19,418	18,164	18,593
Fiduciary Insurance	<u>9,882</u>	<u>9,873</u>	<u>9,670</u>
Sub Total	<u>501,051</u>	<u>459,753</u>	<u>443,538</u>
<b>Total Disbursements</b>	<b>\$9,329,783</b>	<b>\$8,620,337</b>	<b>\$8,099,031</b>

# INVESTMENT INCOME

FOR THE PERIOD ENDING DECEMBER 31,			
	2013	2012	2011
<b>Investment Income Received From:</b>			
Cash	\$678	\$5,901	\$14,362
Fixed Income	811,742	772,560	623,879
Equities	834,854	888,447	683,685
Pooled or Mutual Funds	0	0	60,000
<b>Total Investment Income</b>	<u>1,647,274</u>	<u>1,666,908</u>	<u>1,381,927</u>
<b>Plus:</b>			
Realized Gains	2,139,239	951,200	555,363
Unrealized Gains	14,015,519	5,868,474	3,508,170
Interest Due and Accrued - Current Year	148,903	165,200	145,137
Sub Total	<u>16,303,661</u>	<u>6,984,874</u>	<u>4,208,670</u>
<b>Less:</b>			
Paid Accrued Interest on Fixed Income Securities	(112,116)	(86,859)	(67,532)
Realized Loss	(1,993,253)	(88,949)	(579,244)
Unrealized Loss	(1,026,282)	(1,039,748)	(2,431,418)
Interest Due and Accrued - Prior Year	(165,200)	(145,137)	(137,542)
Sub Total	<u>(3,296,851)</u>	<u>(1,360,693)</u>	<u>(3,215,736)</u>
<b>Net Investment Income</b>	<u>14,654,085</u>	<u>7,291,089</u>	<u>2,374,861</u>
<b>Income Required:</b>			
Annuity Savings Fund	31,591	29,769	49,816
Annuity Reserve Fund	218,442	210,471	194,694
Military Service Fund	3	3	6
Expense Fund	501,051	459,753	443,538
<b>Total Income Required</b>	<u>751,087</u>	<u>699,995</u>	<u>688,055</u>
Net Investment Income	<u>14,654,085</u>	<u>7,291,089</u>	<u>2,374,861</u>
Less: Total Income Required	<u>751,087</u>	<u>699,995</u>	<u>688,055</u>
<b>Excess Income To The Pension Reserve Fund</b>	<u>\$13,902,997</u>	<u>\$6,591,094</u>	<u>\$1,686,806</u>



## SCHEDULE OF ALLOCATION OF INVESTMENTS OWNED

(percentages by category)

AS OF DECEMBER 31, 2013		
	MARKET VALUE	PERCENTAGE OF TOTAL ASSETS
Cash	\$2,384,970	2.6%
Fixed Income Securities	19,581,179	21.7%
Equities	65,665,812	72.7%
Pooled Real Estate Funds	<u>2,723,644</u>	<u>3.0%</u>
<b>Grand Total</b>	<b><u>\$90,355,605</u></b>	<b><u>100.0%</u></b>

For the year ending December 31, 2013, the rate of return for the investments of the West Springfield Retirement System was 19.37%. For the five-year period ending December 31, 2013, the rate of return for the investments of the West Springfield Retirement System averaged 11.88%. For the 29-year period ending December 31, 2013, since PERAC began evaluating the returns of the retirement systems, the rate of return on the investments of the West Springfield Retirement System was 8.39%.

The composite rate of return for all retirement systems for the year ending December 31, 2013 was 15.57%. For the five-year period ending December 31, 2013, the composite rate of return for the investments of all retirement systems averaged 12.13%. For the 29-year period ending December 31, 2013, since PERAC began evaluating the returns of the retirement systems, the composite rate of return on the investments of all retirement systems averaged 9.49%.

## SUPPLEMENTARY INVESTMENT REGULATIONS

The West Springfield Retirement Board has not submitted any supplementary investment regulations to the Public Employee Retirement Administration Commission for approval.

# NOTES TO FINANCIAL STATEMENTS

## NOTE I – SUMMARY OF PLAN PROVISIONS

The plan is a contributory defined benefit plan covering all West Springfield Retirement System member unit employees deemed eligible by the retirement board, with the exception of school department employees who serve in a teaching capacity. The Teachers' Retirement Board administers the pensions of such school employees.

### ADMINISTRATION

There are 105 contributory retirement systems for public employees in Massachusetts. Each system is governed by a retirement board and all boards, although operating independently, are governed by Chapter 32 of the Massachusetts General Laws. This law in general provides uniform benefits, uniform contribution requirements and a uniform accounting and funds structure for all systems.

### PARTICIPATION

Participation is mandatory for all full-time employees. Eligibility with respect to part-time, provisional, temporary, seasonal or intermittent employment is governed by regulations promulgated by the retirement board, and approved by PERAC. Membership is optional for certain elected officials.

There are 4 classes of membership in the retirement system, but one of these classes, Group 3, is made up exclusively of the State Police. The other 3 classes are as follows:

#### **Group 1:**

General employees, including clerical, administrative, technical and all other employees not otherwise classified.

#### **Group 2:**

Certain specified hazardous duty positions.

#### **Group 4:**

Police officers, firefighters, and other specified hazardous positions.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### MEMBER CONTRIBUTIONS

Member contributions vary depending on the most recent date of membership:

Prior to 1975:	5% of regular compensation
1975 - 1983:	7% of regular compensation
1984 to 6/30/96:	8% of regular compensation
7/1/96 to present:	9% of regular compensation
1979 to present:	an additional 2% of regular compensation in excess of \$30,000.

In addition, members of Group 1 who join the system on or after April 2, 2012 will have their withholding rate reduced to 6 % after achieving 30 years of creditable service.

### RATE OF INTEREST

Interest on regular deductions made after January 1, 1984 is a rate established by PERAC in consultation with the Commissioner of Banks. The rate is obtained from the average rates paid on individual savings accounts by a representative sample of at least 10 financial institutions.

### RETIREMENT AGE

The mandatory retirement age for some Group 2 and Group 4 employees is age 65. Most Group 2 and Group 4 members may remain in service after reaching age 65. Group 4 members who are employed in certain public safety positions are required to retire at age 65. There is no mandatory retirement age for employees in Group 1.

### SUPERANNUATION RETIREMENT

A person who became a member before April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- completion of 20 years of service, or
- attainment of age 55 if hired prior to 1978, or if classified in Group 4, or
- attainment of age 55 with 10 years of service, if hired after 1978, and if classified in Group 1 or 2

A person who became a member on or after April 2, 2012 is eligible for a superannuation retirement allowance (service retirement) upon meeting the following conditions:

- attainment of age 60 with 10 years of service if classified in Group 1, or
- attainment of age 55 with 10 years of service if classified in Group 2, or
- attainment of age 55 if classified in Group 4.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### AMOUNT OF BENEFIT

A member's annual allowance is determined by multiplying average salary by a benefit rate related to the member's age and job classification at retirement, and the resulting product by his creditable service. The amount determined by the benefit formula cannot exceed 80% of the member's highest three year (or five year as discussed below) average salary. For veterans as defined in G.L. c. 32, s. 1, there is an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

For employees who become members after January 1, 2011, regular compensation is limited to 64% of the federal limit found in 26 U.S.C. 401(a)(17). In addition, regular compensation will be limited to prohibit "spiking" of a member's salary to increase the retirement benefit.

- For persons who became members prior to April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 3 consecutive years that produce the highest average, or, if greater, during the last 3 years (whether or not consecutive) preceding retirement.
- For persons who became members on or after April 2, 2012, Average Salary is the average annual rate of regular compensation received during the 5 consecutive years that produce the highest average, or, if greater, during the last 5 years (whether or not consecutive) preceding retirement.
- The Benefit Rate varies with the member's retirement age. For persons who became members prior to April 2, 2012 the highest rate of 2.5% applies to Group 1 employees who retire at or after age 65, Group 2 employees who retire at or after age 60, and to Group 4 employees who retire at or after age 55. A .1% reduction is applied for each year of age under the maximum age for the member's group. For Group 2 employees who terminate from service under age 55, the benefit rate for a Group 1 employee shall be used.
- For persons who became members on or after April 2, 2012 and retire with less than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 57. A .15% reduction is applied for each year of age under the maximum age for the member's group.
- For persons who became members on or after April 2, 2012 and retire with more than 30 years of creditable service, the highest rate of 2.5% applies to Group 1 employees who retire at or after age 67, Group 2 employees who retire at or after age 62, and to Group 4 employees who retire at or after age 55. A .125% reduction is applied for each year of age under the maximum age for the member's group.

### DEFERRED VESTED BENEFIT

A participant who has attained the requisite years of creditable service can elect to defer his or her retirement until a later date. Certain public safety employees cannot defer beyond age 65. All participants must begin to receive a retirement allowance or withdraw their accumulated deductions no later than April 15 of the calendar year following the year they reach age 70½.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### WITHDRAWAL OF CONTRIBUTIONS

Member contributions may be withdrawn upon termination of employment. The interest rate for employees who first become members on or after January 1, 1984 who voluntarily withdraw their contributions with less than 10 years of service will be 3%. Interest payable on all other withdrawals will be set at regular interest.

### DISABILITY RETIREMENT

The Massachusetts Retirement Plan provides 2 types of disability retirement benefits:

#### ORDINARY DISABILITY

**Eligibility:** Non-veterans who become totally and permanently disabled by reason of a non-job related condition with at least 10 years of creditable service (or 15 years creditable service in systems in which the local option contained in G.L. c. 32, s.6(1) has not been adopted).

Veterans with ten years of creditable service who become totally and permanently disabled by reason of a non-job related condition prior to reaching “maximum age”. “Maximum age” applies only to those employees classified in Group 4 who are subject to mandatory retirement.

**Retirement Allowance:** For persons who became members prior to April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she is entitled.

For persons in Group 1 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 60. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 60, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

For persons in Group 2 and Group 4 who became members on or after April 2, 2012, the benefit is equal to the accrued superannuation retirement benefit as if the member was age 55. If the member is a veteran, the benefit is 50% of the member’s final rate of salary during the preceding 12 months, plus an annuity based upon accumulated member contributions plus credited interest. If the member is over age 55, he or she will receive not less than the superannuation allowance to which he or she would have been entitled had they retired for superannuation.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### ACCIDENTAL DISABILITY

**Eligibility:** Applies to members who become permanently and totally unable to perform the essential duties of the position as a result of a personal injury sustained or hazard undergone while in the performance of duties. There are no minimum age or service requirements.

**Retirement Allowance:** 72% of salary plus an annuity based on accumulated member contributions, with interest. This amount is not to exceed 100% of pay. For those who became members in service after January 1, 1988 or who have not been members in service continually since that date, the amount is limited to 75% of pay. There is an additional pension of \$797.64 per year (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 7(2)(a)(iii) has not been adopted), per child who is under 18 at the time of the member's retirement, with no age limitation if the child is mentally or physically incapacitated from earning. The additional pension may continue up to age 22 for any child who is a full time student at an accredited educational institution. For systems that have adopted Chapter 157 of the Acts of 2005, veterans as defined in G.L. c. 32, s. 1 receive an additional benefit of \$15 per year for each year of creditable service, up to a maximum of \$300.

### ACCIDENTAL DEATH

**Eligibility:** Applies to members who die as a result of a work-related injury or if the member was retired for accidental disability and the death was the natural and proximate result of the injury or hazard undergone on account of which such member was retired.

**Allowance:** An immediate payment to a named beneficiary equal to the accumulated deductions at the time of death, plus a pension equal to 72% of current salary and payable to the surviving spouse, dependent children or the dependent parent, plus a supplement of \$797.64 per year, per child (or \$312.00 per year in systems in which the local option contained in G.L. c. 32, s. 9(2)(d)(ii) has not been adopted), payable to the spouse or legal guardian until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

The surviving spouse of a member of a police or fire department or any corrections officer who, under specific and limited circumstances detailed in the statute, suffers an accident and is killed or sustains injuries while in the performance of his duties that results in his death, may receive a pension equal to the maximum salary for the position held by the member upon his death. In addition, an eligible family member may receive a one time payment of \$100,000.00 from the State Retirement Board. This lump sum payment is also available to the family of a public prosecutor in certain, limited circumstances.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### DEATH AFTER ACCIDENTAL DISABILITY RETIREMENT

Effective November 7, 1996, Accidental Disability retirees were allowed to select Option C at retirement and provide a benefit for an eligible survivor. For Accidental Disability retirees prior to November 7, 1996, who could not select Option C, if the member's death is from a cause unrelated to the condition for which the member received accidental disability benefits, a surviving spouse will receive an annual allowance of \$6,000. For Systems that accept the provisions of Section 28 of Chapter 131 of the Acts of 2010, the amount of this benefit is \$9,000. For Systems that accept the provisions of Section 63 of Chapter 139 of the Acts of 2012, the amount of this benefit is \$12,000.

### DEATH IN ACTIVE SERVICE

**Allowance:** An immediate allowance equal to that which would have been payable had the member retired and selected Option C on the day before his or her death. For a member who became a member prior to April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 55 benefit rate is used. For a member classified in Group 1 who became a member on or after April 2, 2012 whose death occurred prior to the member's superannuation retirement age, the age 60 benefit rate is used. If the member died after age 60, the actual age is used. For a member classified in Group 2 or Group 4, whose death occurred prior to the member's minimum superannuation retirement age, the benefit shall be calculated using an age 55 age factor. The minimum annual allowance payable to the surviving spouse of a member in service who dies with at least two years of creditable service is \$3,000 unless the retirement system has accepted the local option increasing this minimum annual allowance to \$6,000, provided that the member and the spouse were married for at least one year and living together on the member's date of death.

The surviving spouse of such a member in service receives an additional allowance equal to the sum of \$1,440 per year for the first child and \$1,080 per year for each additional child until all dependent children reach age 18 or 22 if a full time student, unless mentally or physically incapacitated.

### COST OF LIVING

If a system has accepted Chapter 17 of the Acts of 1997, and the Retirement Board votes to pay a cost of living increase (COLA) for that year, the percentage is determined based on the increase in the Consumer Price Index used for indexing Social Security benefits, but cannot exceed 3.0%. Section 51 of Chapter 127 of the Acts of 1999, if accepted, allows boards to grant COLA increases greater than that determined by CPI but not to exceed 3.0%. Only a certain portion of a retiree's total allowance is subject to a COLA. The total COLA for periods from 1981 through 1996 is paid for by the Commonwealth of Massachusetts.

Under the provisions of Chapter 32, Section 103(j) inserted by Section 19 of Chapter 188 of the Acts of 2010, systems may increase the maximum base on which the COLA is calculated in multiples of \$1,000. For many years the COLA base was calculated based upon the first \$12,000 of a retiree's allowance. Now the maximum base upon which the COLA is calculated varies from system to system. Each increase in the base must be accepted by a majority vote of the Retirement Board and approved by the legislative body.



## NOTES TO FINANCIAL STATEMENTS (Continued)

### METHODS OF PAYMENT

A member may elect to receive his or her retirement allowance in one of 3 forms of payment.

**Option A:** Total annual allowance, payable in monthly installments, commencing at retirement and terminating at the member's death.

**Option B:** A reduced annual allowance, payable in monthly installments, commencing at retirement and terminating at the death of the member, provided, however, that if the total amount of the annuity portion received by the member is less than the amount of his or her accumulated deductions, including interest, the difference or balance of his accumulated deductions will be paid in a lump sum to the retiree's beneficiary or beneficiaries of choice.

**Option C:** A reduced annual allowance, payable in monthly installments, commencing at retirement. At the death of the retired employee, 2/3 of the allowance is payable to the member's designated beneficiary (who may be the spouse, or former spouse who is has not remarried, child, parent, sister, or brother of the employee) for the life of the beneficiary. For members who retired on or after January 12, 1988, if the beneficiary pre-deceases the retiree, the benefit payable increases (or "pops up" to Option A) based on the factor used to determine the Option C benefit at retirement. For members who retired prior to January 12, 1988, if the System has accepted Section 288 of Chapter 194 of the Acts of 1998 and the beneficiary pre-deceases the retiree, the benefit payable "pops up" to Option A in the same fashion. The Option C became available to accidental disability retirees on November 7, 1996.

### ALLOCATION OF PENSION COSTS

If a member's total creditable service was partly earned by employment in more than one retirement system, the cost of the "pension portion" is allocated between the different systems pro rata based on the member's service within each retirement system. If a member received regular compensation concurrently from two or more systems on or after January 1, 2010, and was not vested in both systems as of January 1, 2010, such a pro-ration will not be undertaken. This is because such a person will receive a separate retirement allowance from each system.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The accounting records of the System are maintained on a calendar year basis in accordance with the standards and procedures established by the Public Employee Retirement Administration Commission.

Cash accounts are considered to be funds on deposit with banks and are available upon demand.

Short Term Investments are highly liquid investments that will mature within twelve months from the date of acquisition.

Investments are reported at their fair value. Securities traded on recognized exchanges are valued at the most recent sales price at year end. If no sale was reported, the mean of the bid and asked price is used when available, or the most recent bid price. Mutual, commingled and pooled funds are valued based on the net asset or unit value at year end. Real estate and alternative investments are valued based on estimates provided by the managers of those respective investments. Purchases and sales of securities are reflected on the date the trade is initiated. Realized gain or loss is largely based on the difference between the cost or the value at the prior year end and the funds realized upon liquidation. Dividend income is generally recorded when received. Interest income is recorded as earned on an accrual basis. Income from alternative investments is recorded as reported by the managing partner. Appreciation or depreciation in the value of investments consists of the unrealized gains and losses reported as the difference between the previous period and the current value.

The system makes estimates and assumptions that affect the reported values of assets and liabilities and the reported amounts added and deducted during the reporting periods. The fair value of real estate and alternative investment holdings are generally estimated in the absence of reliable exchange values. The actual funds realized upon liquidation may differ from these estimates.

The provisions of Massachusetts General Laws Chapter 32, § 23 (2) generally govern the investment practices of the system. The Board retains an investment consultant to closely monitor the implementation and performance of their investment strategy and advise them of the progress toward full funding of the system. That strategy seeks to balance the exposure to common deposit and investment risks related to custody, credit concentrations, interest rate and foreign currency fluctuations.

Operating expenses include the ordinary and necessary cost of investment and professional services and the other miscellaneous administrative expenses of the system.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The Annuity Savings Fund is the fund in which members' contributions are deposited. Voluntary contributions, re-deposits, and transfers to and from other systems, are also accounted for in this fund. Members' contributions to the fund earn interest at a rate determined by PERAC. Interest for some members who withdraw with less than ten years of service is transferred to the Pension Reserve Fund. Upon retirement, members' contributions and interest are transferred to the Annuity Reserve Fund. Dormant account balances must be transferred to the Pension Reserve Fund after a period of ten years of inactivity.

The Annuity Reserve Fund is the fund to which a member's account is transferred upon retirement from the Annuity Savings Fund and Special Military Service Credit Fund. The annuity portion of the retirement allowance is paid from this fund. Interest is credited monthly to this fund at the rate of 3% annually on the previous month's balance.

The Special Military Service Credit Fund contains contributions and interest for members while on a military leave for service in the Armed Forces who will receive creditable service for the period of that leave.

The Expense Fund contains amounts transferred from investment income for the purposes of administering the retirement system.

The Pension Fund contains the amounts appropriated by the governmental units as established by PERAC to pay the pension portion of each retirement allowance.

The Pension Reserve Fund contains amounts appropriated by the governmental units for the purposes of funding future retirement benefits. Any profit or loss realized on the sale or maturity of any investment or on the unrealized gain of a market valued investment as of the valuation date is credited to the Pension Reserve Fund. Additionally, any investment income in excess of the amount required to credit interest to the Annuity Savings Fund, Annuity Reserve Fund, and Special Military Service Credit Fund is credited to this Reserve account.

The Investment Income Account is credited with all income derived from interest and dividends of invested funds. At year-end the interest credited to the Annuity Savings Fund, Annuity Reserve Fund, Expense Fund, and Special Military Service Credit Fund is distributed from this account and the remaining balance is transferred to the Pension Reserve Fund.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS

The West Springfield Retirement System submitted the following supplementary membership regulations, which were approved by the Public Employee Retirement Administration Commission on:

October 10, 2012

Non-Membership Creditable Service

A member who was employed by the Town of West Springfield, prior to becoming an active member of the West Springfield Retirement System, may be eligible to purchase credit for service rendered on at least a part-time basis even if he/she was not a member of the retirement system during that time. The employee must have earned \$5,000 or more for the calendar year. Also, have worked 20 or more hours per week.

The member must provide the Retirement Board with proof of employment along with a written statement indicating the periods during which he/she was employed on a part-time basis, and the number of hours worked each month.

The member must provide copies of employment records including any W-2 Forms or payroll records indicating the regular wages earned during the period of time the member is seeking to purchase.

If, through no fault of the employee, no payroll or other records of the Town can be found, the member must provide a written statement from the employer or previous employer that includes the following:

- a) the period during which the member was employed (month/day/year to month/day/year);
- b) the title, position held and type of work performed by the employee;
- c) the rate of pay in effect during the period of employment including any increases in pay;
- d) the actual salary (if known) during the period of employment;
- e) a reasonable estimate of the period of service as an employee and estimated regular wages earned during the period of time for which the member seeks creditable service; or
- f) the number of hours worked each week

The statement from an employer must be on the employer's letterhead and must be signed by the employer or department head.

A statement from a previous employer must be signed by the person attesting to the information and must be notarized.

After the Retirement Board receives the statement, the information will be reviewed to determine whether or not the member is eligible to purchase the service credit.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

The cost of purchasing past service will be based on what contributions the person would have paid in retirement contributions during that period (plus interest to date). The Board will calculate by granting 1 week of creditable service for every 20 or more hours per week worked.

February 7, 2011

#### 1. Purpose

Retirement Board the purpose of these Supplemental Rules & Regulations is to more clearly define Supplemental Rules & membership eligibility requirements and creditable service.

#### 2. Definitions

Unless a different meaning is defined by statute, an advisory opinion, or 840: CMR Regulations of the Public Employee Retirement Administration Commission or by a ruling of a court of competent jurisdiction, the following definitions will apply:

##### 2.1 "Employee"

An employee is any person hired, employed or appointed to a position within the Town of West Springfield who is regularly employed with a regular work schedule with a commensurate salary or wages.

##### 2.2 "Full-time Employee"

A full-time employee is an employee who regularly works at least 37 ½ hours a week.

##### 2.3 "Part-time Employee"

A part-time employee is an employee who regularly works at least 20 hours a week but less than full-time.

##### 2.4 "Provisional Status"

A provisional status will not affect whether or not a person hired, employed or appointed is considered an employee, if he or she meets the requirements of these rules and regulations.

#### 3. Membership Requirements

**3.1** All full-time employees shall become members of the retirement system on the first day of employment, as required by M.G.L. Chapter 32.

**3.2** A part-time employee shall become a member of the retirement system on the first day of employment.

**3.3** A part-time employee, who works less than 20 hours a week, shall be ineligible to become a member of the retirement system.

**3.4** The retirement board shall review and determine whether or not membership is required for all other persons who are hired, appointed or employed and do not meet any of the requirements of section 3.1 -3.3.

**3.5** Self-employed persons or "contract employees" who are hired to perform specific services for a fee shall not be considered employees, within the definition, and shall be ineligible for membership in the retirement system.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

**3.6** The retirement board shall determine whether or not a person working for the Town of West Springfield is an employee, as defined, and is required.

#### **4. Creditable Service**

**4.1** All members of the retirement system, who are full-time employees, shall receive full creditable service for such time on which regular deductions have been withheld from regular compensation. Creditable service will not exceed twelve months in any calendar year.

**4.2** A part-time employee shall also receive full creditable service for such time on which deductions have been withheld from regular compensation, provided that compensation and hours of work are proportional to that of a full-time employee.

**4.3** Part-time employees, including school cafeteria workers and teacher's aides or any other part-time employee, whose work schedule does not include summer months, shall receive full creditable service for those months on which no deductions are made if the person returns to work the beginning of the next school year and continues on as an employee.

**4.4** A part-time employee, who later becomes employed full-time, shall retain full-time creditable service earned as a part-time employee.

**4.5** Auxiliary Police Officers shall be entitled to creditable service as provided in a supplemental regulation previously adopted by the retirement board and approved December 7, 1995 by the Commissioner of Public Employee Retirement Administration.

#### **5. Prior Service (intentionally left blank)**

**5.1**

**5.2**

#### **6. Reporting & Notification Requirements**

**6.1** All persons responsible for hiring, employing or appointing a person to a position within the town must notify the retirement board, at minimum, five days before the person is put on the payroll.

**6.2** A department head must, within 7 days, notify the retirement board when a part-time employee subsequently becomes employed on a full-time basis.

**6.3** A department head must also notify the retirement board of any change in the employee's employment status, pay grade or address change.

**6.4** The retirement board may require the town or a department head to furnish other information regarding an employee in order for the member to be properly classified.

June 1, 2004

Pursuant to G L c 32, § 4(1)(c), the board shall grant one month of creditable service to a member if he/she has been on an approved, unpaid leave of absence for medical or family reasons. The board shall deny one month of creditable service to a member if he/she has been on an approved, unpaid leave of absence for disciplinary reasons.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

#### Confidentiality Policy

Governing Access And Use Of Telecommunications Equipment And Records Of The Town Of West Springfield Contributory Retirement Board

#### I PURPOSE

The regulation implements the provisions of M.G.L. c.93H relative to the standards to be met by persons who own, license, and store or maintain personal information about a resident of the Commonwealth of Massachusetts. This regulation establishes minimum standards to be met in connection with the safeguarding of personal information contained in both paper and electronic records. Further purposes are to (i) ensure the security and confidentiality of such information in a manner consistent with industry standards, (ii) protect against anticipated threats or hazards to the security or integrity of such information, and (iii) protect against unauthorized access to or use of such information in a manner that creates a substantial risk of identity theft or fraud against such residents.

#### II SCOPE

The provisions of this regulation apply to all persons that own, license, store or maintain personal information about a resident of the Commonwealth.

#### III POLICY

The Board keeps electronic and paper retirement files on all its members, which at all times remain the sole and exclusive property of the Board. The Board makes available to its employees(s) and other Authorized Users, for the purpose of carrying out the Board's duties and obligations, computer equipment, which may be of a stand-alone nature or may be networked, and telecommunications services such as email, Internet searching and browsing, fax machines, and telephones, which remains under the control of its Administrator. The Administrator stores paper files in secured (locked) file cabinets. Use of these capabilities by Board employee(s) or other Authorized Users is subject to oversight and supervision, and must conform to all applicable laws and regulations, as well as all policies and procedures governing behavior.

The Board has hired Pension Technology Group, 92 State Street-6th Floor, Boston, MA 02109 to provide computer software, support and backups, disaster recovery and security protocols PTG is in compliance with 201 CMR 17.00.

Internet service is provided through the Town of West Springfield's network with appropriate "fire walls". Board confidentiality is periodically re-enforced by upgrades and stringent standard compliance accomplished by the Town's computer Director of Information Services.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 3 - SUPPLEMENTARY MEMBERSHIP REGULATIONS (Continued)

August 23, 2010

Withdrawal of Voluntary Retirement Application

An eligible employee is allowed to withdraw their voluntary retirement application prior to approval of the Retirement Board at their monthly meeting.

March 26, 2013

The West Springfield Retirement System has adopted Travel Supplemental Regulations under the provisions of G.L. c. 7, § 50 and G.L. c. 32, § 21(4). Regulations available upon written request, and are also available on the PERAC website [http://www.mass.gov/perac/West Springfield](http://www.mass.gov/perac/West%20Springfield).



## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 4 - ADMINISTRATION OF THE SYSTEM

The System is administered by a five-person Board of Retirement consisting of the Chief Financial Officer who shall be a member ex-officio, a second member appointed by the governing authority, a third and fourth member who shall be elected by the members in or retired from the service of such system, and a fifth member appointed by the other four board members.

Ex-officio Member: Sharon Wilcox

Appointed Member: Thomas J. Cummings                      Until a successor is appointed

Elected Member: Gwen E. Keough                      Term Expires: 04/30/17

Elected Member: Gerard P. Connor, Jr.                      Term Expires: 12/17/17

Appointed Member: Richard S. Sullivan, Chairperson                      Term Expires: 01/27/17

The Board members are required to meet at least once a month. The Board must keep a record of all of its proceedings. The Board must annually submit to the appropriate authority an estimate of the expenses of administration and cost of operation of the system. The board must annually file a financial statement of condition for the system with the Executive Director of PERAC.

The investment of the system's funds is the responsibility of the Board. All retirement allowances must be approved by the Retirement Board. The PERAC Actuary performs verification prior to payment, unless the system has obtained a waiver for superannuation calculations allowing them to bypass this requirement. All expenses incurred by the System must be approved by a majority vote of the Board. Payments shall be made only upon vouchers signed by two persons designated by the Board.

Fidelity insurance is designed to cover specific intentional acts such as theft, fraud or embezzlement committed by employees of the system. This coverage reimburses the system for the losses it suffers as a result of its employees' actions. Statutorily required coverage is provided by the current fidelity insurance policy of \$1,000,000 with a \$10,000 deductible issued through Travelers Insurance Company.

Fiduciary liability insurance covers the individual Retirement Board members, both past and present, from claims for mismanagement brought by plan members, employers, and/or retirees. The policy requires the insured to exercise best judgment and covers alleged, unintentional breaches of fiduciary responsibilities. The West Springfield Retirement Board has coverage to a limit of \$50,000,000 with a \$10,000 deductible provided under a master MACRS sponsored policy issued through a layered program with Travelers, National Union Fire, and State National Insurance.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - ACTUARIAL VALUATION AND ASSUMPTIONS

The most recent actuarial valuation of the System was prepared by Stone Consulting, Inc. as of January 1, 2014.

The actuarial liability for active members was	\$72,337,468
The actuarial liability for inactive members was	919,745
The actuarial liability for retired members was	<u>81,872,172</u>
The total actuarial liability was	\$155,129,385
System assets as of that date were (actuarial value)	<u>85,583,879</u>
The unfunded actuarial liability was	<u>\$69,545,506</u>
 The ratio of system's assets to total actuarial liability was	 55.2%
As of that date the total covered employee payroll was	\$23,755,789

The normal cost for employees on that date was 8.9% of payroll

The normal cost for the employer was 3.5% of payroll

The principal actuarial assumptions used in the valuation are as follows:

Investment Return: 7.75% per annum  
 Rate of Salary Increase: 4.00% per annum

### GASB STATEMENT NO. 25, DISCLOSURE INFORMATION AS OF JANUARY 1, 2014

Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a % of Cov. Payroll ( (b-a)/c )
1/1/2014	\$85,584	\$155,129	\$69,545	55.20%	\$23,756	292.70%
1/1/2012	\$72,256	\$135,741	\$63,485	53.2%	\$23,378	271.6%
1/1/2010	\$67,972	\$117,463	\$49,491	57.9%	\$21,750	227.5%
1/1/2008	\$68,327	\$109,918	\$41,591	62.2%	\$21,375	194.6%

\* Dollars in thousands

# NOTES TO FINANCIAL STATEMENTS (Continued)

## NOTE 6 - MEMBERSHIP EXHIBIT

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Retirement in Past Years</b>										
Superannuation	7	5	10	9	12	15	22	18	13	25
Ordinary Disability	0	0	0	0	0	0	0	0	0	0
Accidental Disability	2	1	0	0	0	1	0	1	0	0
<b>Total Retirements</b>	<b>9</b>	<b>6</b>	<b>10</b>	<b>9</b>	<b>12</b>	<b>16</b>	<b>22</b>	<b>19</b>	<b>13</b>	<b>25</b>
Total Retirees, Beneficiaries and Survivors	382	370	385	383	361	365	371	372	376	391
Total Active Members	598	607	618	614	615	672	680	661	654	628
<b>Pension Payments</b>										
Superannuation	\$3,096,947	\$3,109,864	\$3,194,301	\$3,328,754	\$3,494,428	\$3,662,773	\$3,978,267	\$4,547,985	\$4,780,319	\$5,082,637
Survivor/Beneficiary Payments	214,574	235,000	236,690	284,706	292,259	347,529	395,201	403,347	473,744	455,220
Ordinary Disability	98,942	87,811	76,381	66,428	68,137	69,876	71,643	73,428	75,223	96,574
Accidental Disability	936,603	987,607	989,706	1,025,683	985,427	984,054	960,015	965,381	984,883	1,043,346
Other	378,968	400,660	440,935	442,091	483,170	451,839	489,526	473,589	489,509	547,141
<b>Total Payments for Year</b>	<b>\$4,726,034</b>	<b>\$4,820,942</b>	<b>\$4,938,013</b>	<b>\$5,147,662</b>	<b>\$5,323,421</b>	<b>\$5,516,071</b>	<b>\$5,894,652</b>	<b>\$6,463,731</b>	<b>\$6,803,679</b>	<b>\$7,224,918</b>





PERAC

Five Middlesex Avenue | Third Floor  
Somerville, MA | 02145

Ph: 617.666.4446 | Fax: 617.628.4002

TTY: 617.591.8917 | Web: [www.mass.gov/perac](http://www.mass.gov/perac)